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 CENTRAL INTELLIGENCE AGENCY
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REPORT

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CD NO.

COUNTRY Czechoslovakia; Poland; GDR

DATE OF
INFORMATION 1951

SUBJECT Economic - Industry

DATE DIST. 20 Jun 1951

HOW
PUBLISHED Daily newspaperWHERE
PUBLISHED Buenos Aires

NO. OF PAGES 2

DATE
PUBLISHED 9 Apr 1951SUPPLEMENT TO
REPORT NO.

LANGUAGE German

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SOURCE Argentinisches Tageblatt.CZECHOSLOVAKIA, POLAND REORIENT INDUSTRIES

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The revised Five- and Six-Year Plans of Czechoslovakia and Poland, respec-
 tively, place special stress on the expansion of heavy industry and the inten-
 sification of production.

In Czechoslovakia, production quotas are to be increased 17 percent for
 heavy industry and 10 percent each for the electrical, metallurgical, and chem-
 ical industries. This is bound to result in closer economic ties with the USSR
 and neglect of national economic interests. The Polish electric power station
 in Oswiecim, for example, is to furnish power mainly to factories in Czechoslo-
 vakia. The Fuerstenberg/Oder steel mills are to be supplied exclusively with
 Polish bituminous coal, the annual output of which has been scheduled at 100
 million tons.

Of the 100,000 workers employed by Poland's metallurgical combine in Kra-
 kow, 60 percent are from the USSR. Equipment was also shipped from the USSR,
 which supplies Czechoslovakia and Poland with all necessary plant installations
 and capital goods under generous credit terms. It is rumored that secret weap-
 ons are being produced by the Krakow plants.

All trade agreements concluded by Poland and Czechoslovakia in 1950 with
 countries outside the Soviet bloc are chiefly concerned with the import of raw
 materials strategically important to the defense industry -- aluminum, magnesite,
 steel, phosphate, manganese ore, molybdenum, cotton, and flax -- and with indus-
 trial production equipment such as roller bearings and machines. More and more,
 the economy of these two people's democracies is assuming the character of a war
 economy. The Czechoslovak government, in particular, feels constrained to clamp
 down on imports of raw materials for light industry. Such imports, which ex-
 ceeded planned figures by 1,500,000,000 Czechoslovak crowns in 1950, are to be
 decreased by one sixth during 1951. In the future, therefore, manufacture of
 civilian goods will have to depend predominantly on domestic substitutes. The
 light industries, especially the textile and leather goods industries, will be
 retrenched rather than encouraged. The removal from rationing of textiles and
 shoes in August 1950 was not based on adequate domestic supplies but on the

- 1 -

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fact that production of these goods for export to Western European countries was far in excess of the demand, so that this merchandise had to be dumped on the home market. In any case, the Czechoslovak planning authorities have ruled out all investments for light industry other than for the most urgent repairs.

As a prerequisite toward attaining the aims of the war economy, production capacities and raw-material stockpiles were thoroughly inspected and checked. It became apparent that some plants had accumulated huge reserve stocks of materials, greatly in excess of scheduled production under the Five-Year Plan. Often these excess reserves were not even shown on the records. The existence of disproportionately large stocks of machine tools and of substitute and spare parts was clearly established in some factories. This led to bottlenecks in other plants, because of the great difficulty in procuring parts from abroad.

The introduction of fixed standards presents a further problem; the output targets formerly based on standards set by so-called shock brigades have had to be reduced considerably. Another innovation is the employment of specialists, i.e., technicians, foremen, and engineers, whose services had not been used adequately heretofore, for political reasons. Responsibility is to be decentralized and relegated to individual shops, work groups, and even to individual workers. These measures probably can be traced to incidents in Slovakia, where industrial production, even in the early months of 1950, utterly failed to meet the standards set by the original Five-Year Plan. Poor working morale, including absenteeism and frequent job changes, resulting from the laxness of plant managers and local party bosses, became apparent.

For the expansion of Czechoslovak industry, the fulfillment of power requirements is of major importance. The inadequate supply of power available for new plants, especially those engaged in heavy industry, is to be met by increasing the coal output, intensifying the exploitation of water power, and building numerous electric power plants. Nevertheless, it will be impossible to meet the requirements for electric current for years to come, particularly because of the additional demands created by the mechanization of agriculture.

Poland is trying, above all, to increase the production outputs of rolling mills, of the machine industry, and of the chemical industry, particularly the production of soda for the manufacture of ammonia and caustic soda. This need is founded on the expansion of the chemical industry and on the fact that calcium chloride, a by-product in soda production, is in increasing demand from the machine industry; moreover, it is a suitable export article.

Although at the end of the first planning year Poland's heavy industry will hardly meet its scheduled target, with the enforcement of the rigorous Soviet production methods, such as three shifts, special brigades, and strict control of manpower and material, considerable progress probably will be made toward meeting these goals.

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- 2 -

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